

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED)	
GAS ADJUSTMENT FILING OF)	
EAST KENTUCKY UTILITIES,)	CASE NO. 9545-T
INC.)	

O R D E R

On September 25, 1986, the Commission issued its Order in Case No. 9545 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On April 26, 1990, East Kentucky Utilities, Inc. ("East Kentucky") notified the Commission that its wholesale cost of gas will be decreased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective April 1, 1990, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

(1) East Kentucky's notice of April 26, 1990 set out certain revisions in rates which East Kentucky proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$173,592 or \$1.4099 per Mcf.

(2) Kentucky West applied with the Federal Energy Regulatory Commission for decreased rates to become effective April 1, 1990. The effective date for the decrease in East Kentucky's rates should be on and after April 1, 1990. Kentucky West's rates are subject to refund; hence, East Kentucky's rates should be subject to refund.

(3) The adjustment in East Kentucky's rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9545 dated September 25, 1986 is fair, just, reasonable, in the public interest, and should be effective with gas supplied on and after April 1, 1990, subject to refund.

IT IS HEREBY ORDERED that:

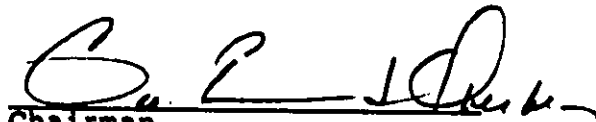
(1) The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after April 1, 1990, subject to refund.

(2) Within 30 days of the date of this Order, East Kentucky shall file with this Commission its revised tariffs setting out the rates authorized herein.

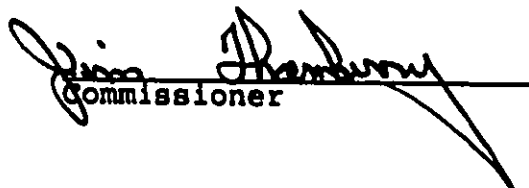
(3) Within 30 days of the date of this Order, East Kentucky shall file the amount of any excess revenues collected, along with a refund plan.

Done at Frankfort, Kentucky, this 21st day of May, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9545-T DATED 5/21/90

The following rates and charges are prescribed for the customers served by East Kentucky Utilities, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First 1 Mcf	\$8.3166 Per Mcf
Over 1 Mcf	\$5.5166 Per Mcf

Minimum Bill: \$8.32 for less than 1 Mcf.

The base rate for the future application of the purchased gas adjustment clause of East Kentucky Utilities, Inc. shall be:

	<u>Commodity</u>
Kentucky West Virginia Gas Company	\$2.8569/Dth*
Southeastern Gas Company	\$3.50/Mcf

*Includes \$0.0126 per Dth - Gas Research Institute Funding Charge and \$.0017 Annual Charge Adjustment.